



InterCement
2019 1Q Results Presentation

1Q19 Highlights

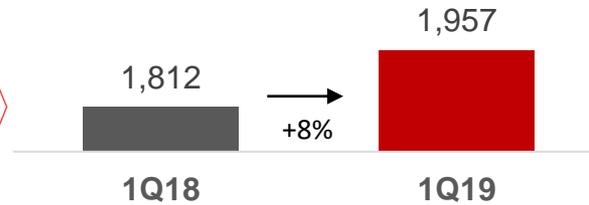
- **Cement and Clinker Volume totaled 4,815 thousand tons**, down 3.9% from 1Q18 reflecting main markets challenge environment.
- **Sales reached 352 million Euros**, down 8.9% from 1Q18. Excluding forex impact, Sales would have increased 18.8%, supported by growth in all geographies in local currency.
- Adjusted **EBITDA registered 64 million Euros**, down 7.8% from 1Q18.
- Overall portfolio FX devaluation negatively impacted EBITDA generation by **20 million Euros** comparing to 1Q18.
- **Debt Payments of 216 million Euros** in 1Q19. Net Debt reached 1.331 million Euros, the lowest level in recent years.
- In May, 2019 additional **50 million Euros proceeds from Portugal and Cape Verde assets sale** were received totaling 676 million Euros. Up to now, 435 million euros proceeds were used to reduce debt.
- Efficiency initiatives under **IC-TURN project** aiming to strengthen capital structure and support deleveraging process progressing.



Main Figures

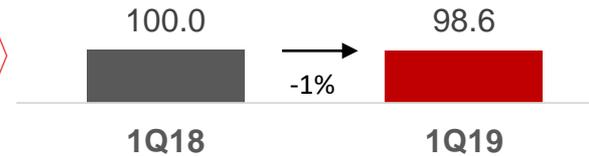
Performance - Brazil

**Cement and
Clinker Volumes
Sold**
(thousand tons)



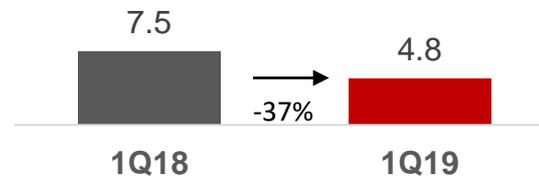
- InterCement volumes sold increase by 8% in 1Q19, despite market slow pace recuperation, reflecting the company reinforced market approach and region segmentation.

SALES
(Million Euros)



- Strong competition and industry high idle capacity context still penalize the pricing evolution, resulting in a slightly lower sales. In local currency, sales went up by 5.5% between the two periods.

**Adjusted
EBITDA**
(Million Euros)

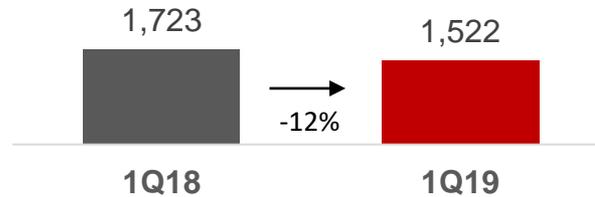


- Adjusted EBITDA reduction due to the impact of higher energy costs.

Main Figures

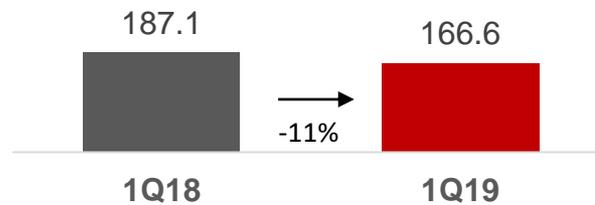
Performance – Argentina & Paraguay

Cement and Clinker Volumes Sold
(thousand tons)



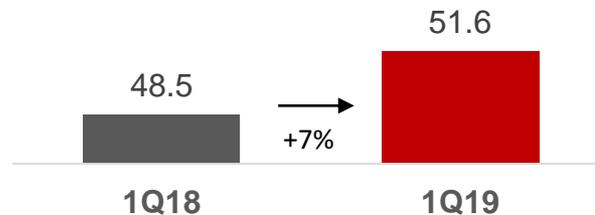
- Demand slowed as the political and economic scenarios are still volatile in Argentina, resulting in low double digits volume decrease.
- Paraguay registered volume growth, but not enough to compensate the decrease in Argentina.

SALES
(Million Euros)



- Prices showed improvement even with the inflationary pressure in Argentina. Volumes decrease more than offsetted the price increase.
- In Paraguay the local positive business performance could not compensate the sales drop in Argentina.

Adjusted EBITDA
(Million Euros)

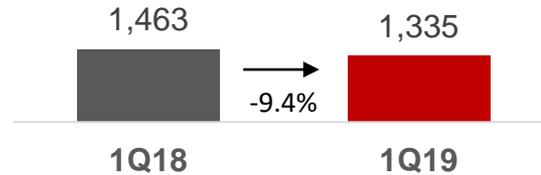


- The positive impact in Argentinian costs resulted in an increase in the adjusted EBITDA, offsetting the sales and volumes decrease.
- Positive environment in Paraguay expanded it's Adjusted EBITDA.

Main Figures

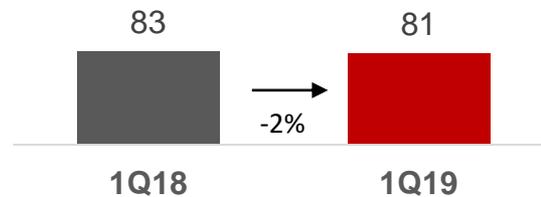
Performance – Africa (Egypt, Mozambique and South Africa)

**Cement and
Clinker Volumes
Sold**
(thousand tons)



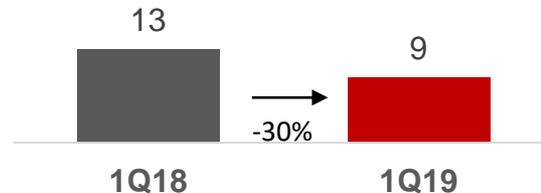
- Operations in the region are facing challenging markets decreasing volumes due to different reasons, such as market competition (Egypt), economic and political volatility (South Africa) and natural disasters (Mozambique).

SALES
(Million Euros)



- Strong positioning from core markets and FX appreciation enabled the sales grow in Egypt.
- South Africa lower volumes and the FX depreciation impacted the sales negatively.
- Mozambique sales reduction was limited, despite the strong volume drop in volumes.

**Adjusted
EBITDA**
(Million Euros)

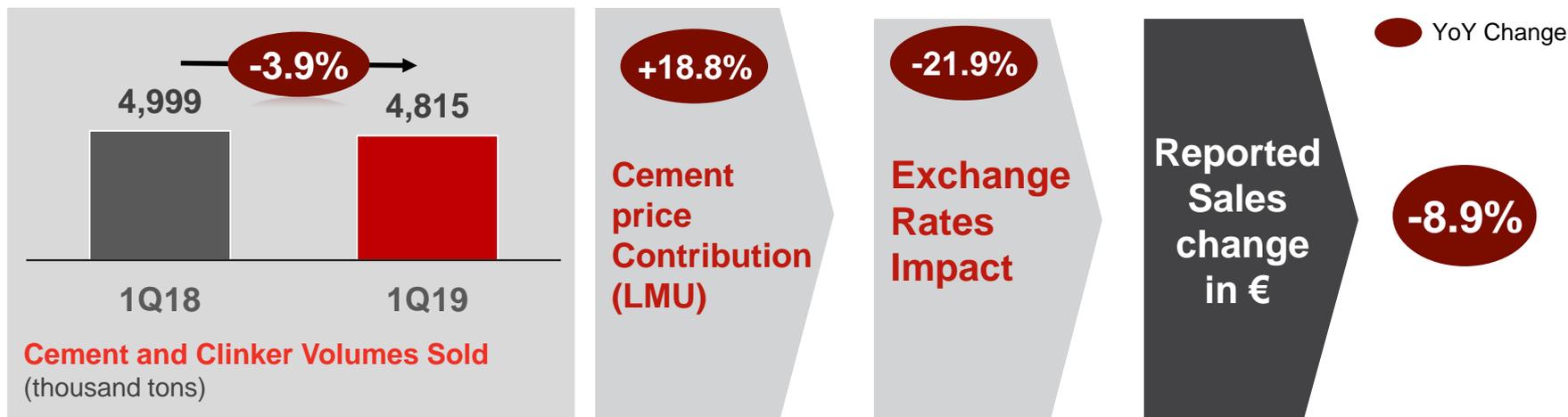


- Egypt cost pressure and the South Africa lower activity were the main offenders for the region's adjusted EBITDA.
- Mozambique improvement in EBITDA was not enough to compensate the region drop.

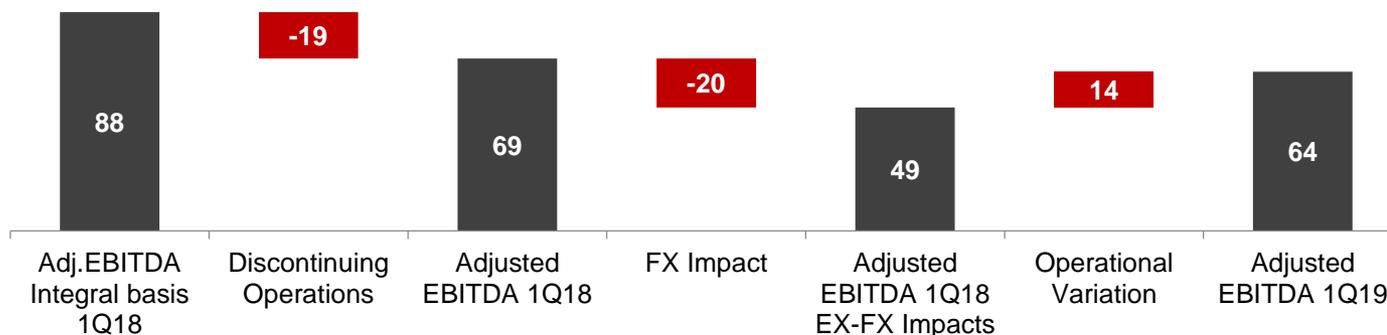
Slightly decline in volumes and 19% price increase. Forex offset local currency growth.

Sales were down 8.9%, although up 18.8% ex-forex. **Cement average price increased** in local currencies throughout the portfolio, absorbing cost inflation. Brazil and Paraguay volumes sold not enough to compensate Argentina and Africa lower market dynamic. The impact over Adjusted EBITDA amounted €20M.

FX Impact over 1Q19 Revenue



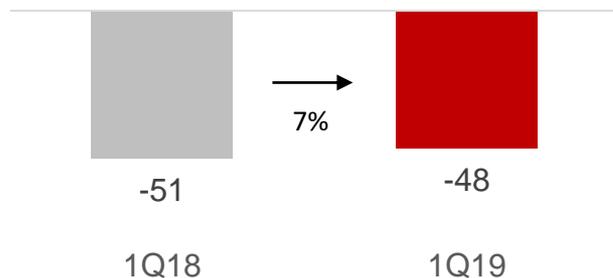
FX Impact over Adjusted EBITDA 1Q19



Significant Financial Cost Reduction due to Liability Management Program offsetted FX Variation (non cash)

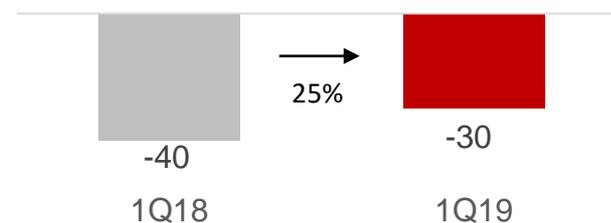
€ million

Financial Results



FX variation netted the positive impact from interest expenses.

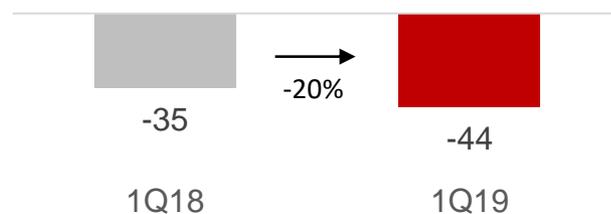
Interest Expenses



Interest Expenses in the period reduced due to the Liability Management Program



Depreciation, Amortizations and Impairments



Relevant portion of constructions in progress were concluded in 1Q19. IFRS16 also impacted this line.

Cash Flow, Free Cash Flow benefitted from the asset sale

Cash flow improvement mainly related to lower interest payments reflecting the Liability Management and the net proceeds received from PT&CV assets sale.

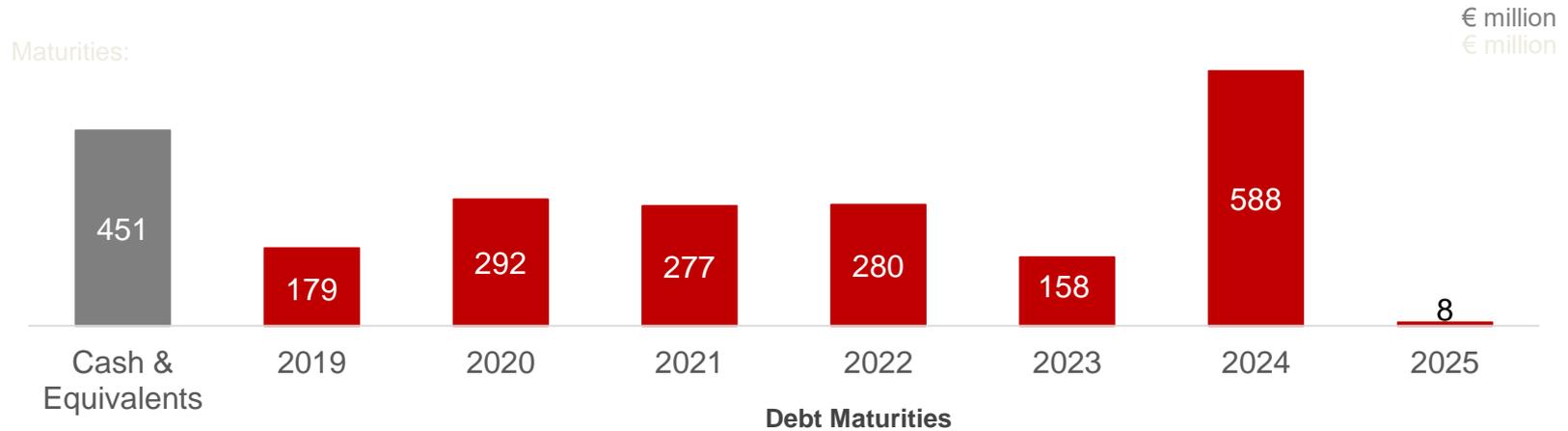
Free Cash Flow Generation Map		
(€ million)	Jan-Mar	
	2019	2018*
Adjusted EBITDA	64	88
Change in Working Capital	-150	-166
Others	-11	-4
Operating Activities	-97	-82
Interests Paid & Derivative Unwinding	-33	-55
Income taxes Paid	-1	-7
Cash Flow before investments	-131	-145
CAPEX	-55	-71
Assets Sales / Others	467	3
Free Cash Flow to the company	282	-213
Borrowings, financing and debentures	27	10
Repayment of borrowings, financ. and debent.	-216	-325
Dividends	-47	0
Other investment activities	0	38
Changes in cash and cash equivalents	46	-490
Exchange differences	1	-35
Cash and cash equivalents, End of the Period	432	613

*Integral Basis

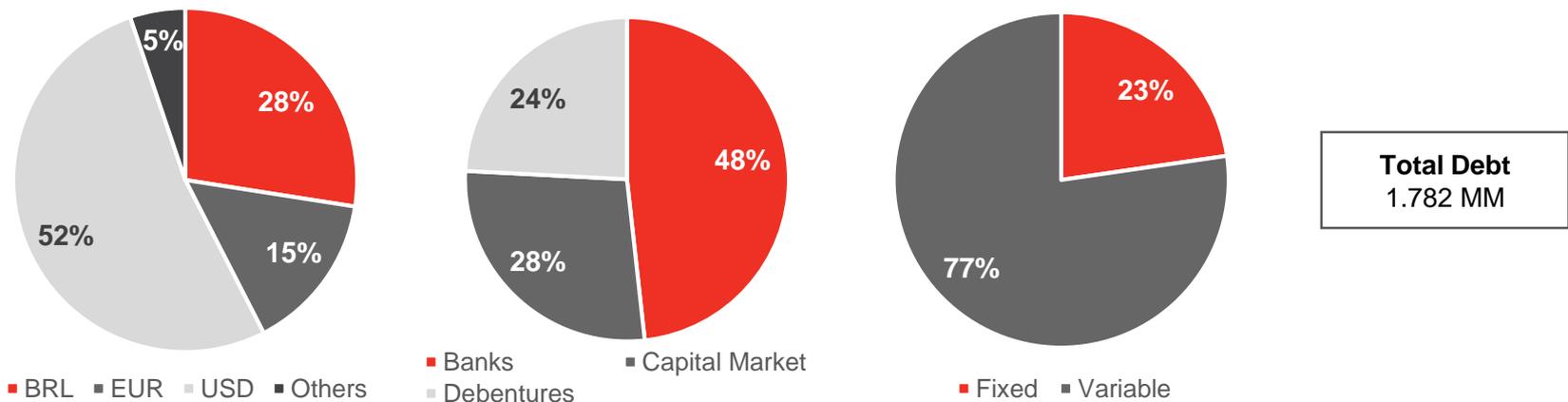
Capital Structure

Company achieved the lowest net debt level in recent history (1,331 million euros)

As of March 2019



Debt Profile





ANNEX

Financial Results, shows relevant gains from the Portugal & Cape Verde Assets Sale

Income Statement			
	1Q19	1Q18	Var%
Sales	352.1	386.5	-8.9%
Net Operational Cash Costs	298.1	318.7	-6.5%
Operational Cash Flow (EBITDA)	54.0	67.7	-20.2%
Deprec. Amort. and Impairments	43.6	35.0	24.4%
Operating Income (EBIT)	10.4	32.7	-68.1%
Financial Results	-47.6	-50.9	-6.5%
Pre-tax Income	-37.2	-18.2	103.7%
Income Tax	2.0	7.4	-73.2%
Net Inc. from continuing Operations	-39.2	-25.6	52.8%
Net Inc. from discontinuing Operations	314.1	3.2	s.s.
Net Income	275.0	-22.4	s.s.
Attributable to:			
Shareholders	257.5	-28.3	s.s.
Minority Interests	17.5	5.9	197.1%

Balance Sheet, reflects Liability Management actions after the PT&CV asset sale. IFRS16 shows minor impact in Liabilities

Consolidated Balance Sheet Summary			
(€ million)	Mar 31 2019	Mar 31 2018	Var. %
Assets			
Non-current Assets	2,777	2,677	3.7
Derivatives	3	3	1.5
Current Assets			
Cash and Equivalents	448	342	31.1
Derivatives	-	-	
Other Current Assets	603	415	45.2
Assets classified as held for sale	-	747	
Total Assets	3,831	4,184	-8.4
Shareholders' Equity attributable to:			
Equity Holders	934	882	6.0
Minority Interests	297	282	5.5
Total Shareholders' Equity	1,232	1,164	5.9
Current Liabilities			
Loans & Obligations under finance leases	340	491	-30.9
IFRS 16	12	-	
Derivatives	-	-	
Provisions & Employee benefits	0	0	2.6
Other Current Liabilities	441	427	3.2
Non-Current Liabilities			
Loans & Obligations under finance leases	1,443	1,447	-0.3
IFRS 16	28	-	
Derivatives	0	0	1.7
Provisions & Employee benefits	70	70	0.1
Other Liabilities	265	278	-4.6
Liabilities assoc. w/Assets classified as held for sale	-	307	
Total Liabilities	2,600	3,021	-13.9
Total Liabilities and Shareholders' Equity	3,831	4,184	-8.4